

# **EXHIBIT F**



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***THIS TRANSMITTAL CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE BENEFICIAL OWNERS OF THE SUBJECT SECURITIES. PLEASE EXPEDITE RE-TRANSMITTAL TO SUCH BENEFICIAL OWNERS IN A TIMELY MANNER.***

**NOTICE TO HOLDERS**

**AIRLIE CDO I, LTD. CLASS D NOTES**

**AND TO THE PARTIES LISTED ON EXHIBIT B ATTACHED HERETO.**

(CUSIP numbers for Transactions listed on Exhibit A attached hereto and made a part hereof.)

(Notice Date: August 8th, 2012)

Reference is made to that certain Indenture dated as of January 18, 2007 by and between Airlie CDO I, Ltd. as Issuer, Airlie CDO I, Corp., as Co-Issuer and U.S. Bank National Association, as indenture trustee (the "*Trustee*"). Any capitalized terms used herein and not otherwise expressly defined shall have the respective meanings assigned to such terms in the Indenture.

This notice is being provided to you because we have been asked by Lehman Brothers Special Financing Inc. ("*LBSF*") to identify the beneficial holders of the Class D Notes to facilitate settlement discussions in connection with the amount and priority of the termination payment due LBSF.

Under the terms of the Indenture, the Issuer entered into a credit derivatives transaction with LBSF, an affiliate of Lehman Brothers Holdings Inc. ("*LBHI*"), as counterparty documented by an ISDA Master Agreement (Multicurrency - Cross Border) by and between LBSF (collectively with LBHI the "*Debtors*") and the Issuer (the "*Master Agreement*"), one or more Schedules to the Master Agreement between LBSF and the Issuer (the "*Schedules*") and one or more Confirmations to the Issuer from LBSF (the "*Confirmations*" and collectively with the all of the Master Agreement and Schedules, the "*Swap Transaction*"). LBHI served as Credit Support Party for each of these transactions.

On September 15, 2008, LBHI filed a voluntary petition seeking relief under Chapter 11 of 11 U.S.C. § 101 *et seq.* (the "*Bankruptcy Code*"), and thereafter on October 3, 2008, LBSF filed a voluntary petition under the Bankruptcy Code. These proceedings are pending in the United States Bankruptcy Court for the Southern District of New York (the "*Bankruptcy Court*", collectively these proceedings shall be referred to herein as the "*Lehman Bankruptcy Proceedings*").



Events of Default exist under each of the Swap Transactions by virtue of the voluntary bankruptcy petitions filed first by LBHI and thereafter by LBSF. Notices of Early Termination of the Swap Transaction were provided to LBSF. Under the terms of the Indenture and Swap Transaction, because LBSF was the sole Affected Party and Defaulting Party under the terms of each Swap Transaction, the Indenture provided that any termination payment due LBSF would be paid after payments made to the Noteholders (and certain Administrative Expenses and other amounts senior to Noteholders). Had LBSF not been the Defaulting Party, the Indenture provides that any termination payment would be paid from available proceeds prior to applying such proceeds to payments to Noteholders.

LBSF alleges that the priority of payment provisions which would pay LBSF its termination payment after payments to Noteholders are unenforceable under various legal theories. LBSF filed an action in the United States Bankruptcy Court for the Southern District of New York against the Trustee and the Issuer for each of the Securities. The Complaint is styled *Lehman Brothers Special Financing Inc. v. U.S. Bank National Association, et al.*, Adversary Proceeding Number 10-03542 (the "Pending Litigation"), and the case is assigned to the Honorable Judge Peck.

**The Trustee has been asked by LBSF to seek the identity of the beneficial holders of the Class D Notes in order to facilitate settlement discussions with LBSF with respect to the amount and priority of the termination payment due LBSF. It is important that you contact the Trustee to enable you to make economic decisions with respect to your Class D Notes. Please contact the Trustee at your earliest convenience at the following address:**

**U.S. Bank National Association, as Trustee  
Corporate Trust Services, Attn: CDO Services  
One Federal Street, 3rd Floor,  
Boston, Massachusetts 02110  
Attn: Jonathan DeMarco (email:jonathan.demarco@usbank.com)  
or Donald Higgins (email:donald.higgins@usbank.com)**

Receipt of this notice should not be construed as evidence or acknowledgment of any requirement applicable to, or of any right or authority on the part of any recipient under the Indenture to direct, the matters addressed herein, or of any obligations on the part of the Trustee with respect thereto, and the Trustee expressly reserves all rights in determining appropriate actions and requirements concerning these matters.

Prior to any distribution to Noteholders, funds held under the relevant Indenture may be used first for payment of the fees and costs incurred or to be incurred by the Trustee in performing its duties, as well as for any indemnities owing or to become owing to the Trustee. These include, but are not limited to, compensation for time spent, and the fees and costs of counsel and other agents employed, to pursue remedies, defend claims, or take other actions to protect the interests of the Noteholders and the Issuer, respectively. The Trustee is not required to expend or risk its own funds in connection with any matter under the Indenture unless adequate reassurance of payment and/or indemnity is provided to it.

The Trustee reserves all rights under the Indenture. Please be aware that the Trustee may conclude that a specific response to particular inquiries from individual Noteholders is not consistent with equal and full dissemination of information to all Noteholders. Noteholders should not rely on the Trustee as their sole source of information. The Trustee makes no recommendations, gives no investment, legal or tax advice. Each Noteholder should seek advice from an independent advisor based on such Noteholder's particular circumstances.

U.S. Bank National Association,  
as Trustee

**Exhibit A**

**CUSIPs**

**AIRLIE CDO I, LTD**

<b><u>Security</u></b>	<b><u>CUSIP</u></b>
<b>Class A Notes</b>	
Class A Rule 144A Certificated Note	00936KAA2
Class A Regulation S Certificated Note	G0134PAA4
<b>Class B Notes</b>	
Class B Rule 144A Certificated Note	00936KAB0
Class B Regulation S Certificated Note	G0134PAB2
Certificated Class B Note	00936KAF1
<b>Class C Notes</b>	
Class C Rule 144A Global Note	00936KAC8
Class C Regulation S Global Note	G0134PAC0
Certificated Class C Note	00936KAG9
<b>Class D Notes</b>	
Class D Rule 144A Global Note	00936KAD6
Class D Regulation S Global Note	G0134PAD8
Certificated Class D Note	00936KAH7
<b>P-1 Preference Shares</b>	
Certificated U.S. P-1 Preference Shares	00936G202
Regulation S Global P-1 Preference Shares	G01349102
<b>P-2 Preference Shares</b>	
Certificated U.S. P-2 Preference Shares	00936G400
Regulation S Global P-2 Preference Shares	G01349110

The above CUSIP numbers are included solely for the convenience of the Noteholders. The Trustee is not responsible for the selection or use of the CUSIP numbers, or for the accuracy or correctness of CUSIP numbers printed on the Notes or as indicated in this notice.

**Exhibit B**

**EXHIBIT B**

**ISSUERS**

AIRLIE CDO I, LTD.

c/o Maples Finance Limited  
P.O. Box 1093 GT  
Queensgate House, South Church Street  
George Town, Grand Cayman, Cayman Islands

AIRLIE CDO I, LTD.

c/o Maples and Calder  
P.O. Box 309GT  
Ugland House, South Church Street  
George Town, Grand Cayman,

**CO-ISSUERS**

Airlie CDO I, CORP.

c/o Puglisi & Associates  
850 Library Avenue, Suite 204  
Newark, Delaware 19711  
Attention: Donald J. Puglisi